

**NASDAQ OMX Iceland and
NASDAQ OMX Copenhagen**

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Stock Exchange Announcement 01/2010**Profit Warning – Downgrade of 2009 Result**

The Eik Banki Group downgrades the expected result for the year 2009 to a DKK 310-320 million loss, which is an increase of DKK 160-170 million compared to the Group's estimate of 30 October 2009.

Marnar Jacobsen, CEO says:

“It is with deep regret that we present this result, which is far from satisfactory. The Group's challenges are related to our exposure to corporate real estate on the Danish market. The Bank's focus is to work actively on proper solutions for the real estate involved, in order to recover parts of the impairments in the future. The Group has no exposure to agricultural or small and medium size enterprises in Denmark. Retail and other operations in Denmark as well as the Faroese operation are running satisfactory.”

The downgrade is caused by two factors in particular: impairments are higher than previously expected and fair value adjustments of unlisted securities have resulted in a negative value adjustment of DKK 107.5 million. The impairments are primarily related to corporate real estate on the Danish market.

Furthermore, Marnar Jacobsen, CEO says:

“Although the 2009 impairments are lower than in 2008, and DKK 45 million of the impairments in 2009 can be ascribed to other banks' impairments through Credit Package I, we are still looking at high impairments on our part. The Danish corporate real estate market seems to have hit rock bottom, and therefore, we expect lower impairments in 2010 than in 2009, although they will remain relatively high.”

Total costs in 2009 for Credit Package I was DKK 113 million.

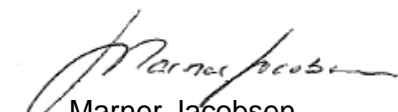
Given the expected result for 2009, the solvency of the Eik Group at year-end 2009 was 11.6 per cent, against a solvency of 10.9 per cent on 30 October 2010.

At year-end 2009, the parent company, Eik Banki, had a solvency of 18.0 per cent, against a solvency of 16.4 per cent on 30 October.

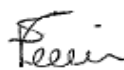
Eik Banki Group expects a positive result for the year 2010.

Eik Banki Group will publish the Annual Report 2009 on 19 March 2010.

Sincerely



Marner Jacobsen
Group CEO



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Further information on Eik Banki P/F: www.eikbank.com